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Implementation of integrated, coherent and coordinated support to South Sudan by the United Nations system

Report of the Secretary-General**

Summary

The present report is the third submitted to the Economic and Social Council on integrated, coherent and coordinated support to the Government of South Sudan following the country's independence in July 2011. The report contains a review of the major developments in South Sudan since July 2013, with a focus on the political crisis that erupted into violence in December. The report describes the impact of the conflict on prospects for development and some of the key actions taken by the international community, including the United Nations system, to help the country to end the conflict so that development can be resumed. In the report, the parties to the conflict are called upon to end the violence and create the space for development to resume. The international community is also called upon to provide appropriate levels of funding that would give the United Nations system sufficient flexibility to respond to new challenges as they emerge and ensure that there is an appropriate balance between humanitarian and development requirements.

* E/2014/1/Rev.1, annex II.
** The present report was submitted late in order to reflect the latest developments in South Sudan.

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I. Introduction

1. Since its independence on 9 July 2011, South Sudan has been on the agenda of the Economic and Social Council. In its resolution 2011/43, the Council acknowledged the enormous humanitarian, peacebuilding and development challenges facing the country and reaffirmed the need to strengthen the synergy between the economic and social development programmes of South Sudan and its peace and security agenda. The Council requested the Secretary-General and all relevant organs and bodies of the United Nations system, as well as the international financial institutions and development agencies, to assist South Sudan, whenever possible, through continued effective humanitarian, peacebuilding and predictable development assistance, in conformity with national priorities, in order to lay a solid foundation for long-term development.

2. The Council has received two reports on South Sudan from the Secretary-General so far. The first report (E/2012/76) focused on the achievements of and the challenges faced by the United Nations system in supporting the Government of South Sudan. It highlighted the innovative mechanisms and tools used to ensure the transition from emergency relief to development and building local capacities in line with national priorities. The second report (E/2013/73) highlighted the efforts of the international community to adapt its support to the emerging political, humanitarian and socioeconomic challenges and priorities of the country. It described the progress and setbacks related to the implementation of development and peacebuilding frameworks by the United Nations system.

3. The present report outlines the major developments that have occurred since the previous report to the Council. A political crisis that led to a violent conflict has reversed much of the progress of the past two years. The report describes the impact of the conflict on prospects for development and some of the key actions taken by the international community, including the United Nations system, to help the country to end the conflict so that development can be resumed.

II. Context

4. South Sudan, the newest State Member of the United Nations, is facing an existential crisis. The achievements of the Government of South Sudan during the period of the Comprehensive Peace Agreement were noteworthy, all the more so when the low baseline resulting from decades of marginalization and war is taken into account. Essential executive, legislative and judicial institutions were established at the central and state levels. More than 2 million people returned to the south, including 330,000 South Sudanese refugees from neighbouring countries.

5. Since the issuance of the previous report to the Council in July 2013, a number of initiatives taken by the Government had created a sense of cautious optimism. On 4 October 2013, the Council of Ministers endorsed the development of a New Deal Compact for South Sudan, a three-year framework for mutual accountability and dialogue between the Government and international partners based on the principles of the New Deal for Engagement in Fragile States. The Compact, which was due to be signed on 3 December 2013, would have institutionalized concrete peacebuilding and State-building commitments and provided a framework for aligning donor support while opening the possibility of direct budgetary assistance to the

Government. On 13 October 2013, a national budget for 2013-2014 was passed by the National Legislative Assembly with an increase from the 17.3 billion South Sudanese pounds allocated in 2012-2013 to 18.7 billion South Sudanese pounds. According to the International Monetary Fund, the economic outlook was improving, with oil production rising and inflation declining; growth was projected to increase to 32.1 per cent in 2013 and 49.2 per cent in 2014,[1] allowing the country to exceed the level of growth that it recorded before oil production stopped in 2012.

6. Such cautious optimism was short-lived. A crisis of governance within the ruling Sudan People's Liberation Movement (SPLM) led to armed violence on 15 December 2013. A leadership struggle within SPLM rapidly deteriorated into armed conflict, causing significant loss of life and large-scale displacement, with an estimated 1.3 million people internally displaced in more than 100 locations, 100,000 of whom have sought protection at the United Nations Mission in South Sudan (UNMISS) bases. In addition, nearly 450,000 people have fled to neighbouring countries, including Ethiopia, Kenya, the Sudan and Uganda.

7. Three years after independence, the country's efforts to progress towards sustainable development have been replaced by a crisis on a vast scale, with 3.8 million people targeted for humanitarian aid. Since 15 December 2013, the people of South Sudan have faced a complex emergency characterized by ongoing human rights violations and abuses. These include extrajudicial killings, ethnically targeted violence, sexual and gender-based violence, rape, recruitment and use of children in armed groups and attacks on schools, hospitals, patients and hospital personnel, among other violations of international human rights and international humanitarian law (S/PRST/2014/16). The targeting of civilians and shifting frontlines have resulted in frequent and unpredictable population movements. The fluid conflict dynamics also pose significant challenges to a sustained humanitarian response. For instance, the cities of Bentiu and Malakal have changed hands 12 times since the start of the crisis, with high levels of associated insecurity and loss of lives, damage to property, including humanitarian facilities, and large-scale movements of people. Aid workers have been directly affected by the political disorder and armed violence. In August, six non-governmental organization (NGO) workers from the Nuer community were targeted and killed on the basis of their ethnicity in Upper Nile State, putting at risk the humanitarian operation to support the 130,000 refugees from the Sudan in the area. At the same time, armed elements continue to move through the camps for internally displaced persons, compromising their civilian character. Aid efforts have been further hampered by insufficient and delayed funding, as well as logistics, human resource, security and access constraints. The scale of the current needs in South Sudan is enormous and is likely to be sustained well into 2015, requiring a global effort to deliver beyond the current levels.

8. The mediation efforts of the Intergovernmental Authority on Development (IGAD) led to the signing of a Cessation of Hostilities Agreement on 23 January 2014. The Agreement was, however, repeatedly violated by both sides. On 9 May 2014, the Government of South Sudan and the Sudan People's Liberation Movement/Army in Opposition (SPLM/A in Opposition) signed an Agreement to

[1] International Monetary Fund, *World Economic Outlook: Hopes, Realities, Risks* (Washington, D.C., 2013), statistical appendix. Available from www.imf.org/external/pubs/ft/weo/2013/01/pdf/tables.pdf.

Resolve the Crisis, which was designed to lead to a Government of National Unity on 10 August 2014. The deadline for the formation of the transitional Government was missed. On 25 August, the IGAD Assembly of Heads of State and Government held an extraordinary summit in Addis Ababa, which led to the signing of the Rededication of and Implementation Modalities for the Cessation of Hostilities Agreement and the Protocol on Agreed Principles on Transitional Arrangements towards Resolution of the Crisis in South Sudan. SPLM/A in Opposition, however, has denied having signed the implementation matrix, declaring that the signature on the Rededication meant a re-endorsement of the Cessation of Hostilities Agreement only and not of the implementation matrix, several provisions of which they oppose. Negotiations resumed on 15 September, but the discussions have yet to move beyond the differences related to the agreements of 25 August.

III. Impact of the conflict on development

9. The outbreak of conflict has created an economic, social and humanitarian catastrophe on top of a political and security crisis. Widespread looting, continued corruption, destruction of markets and physical and social infrastructure, and capital flight have reversed much of the progress since the signing of the Comprehensive Peace Agreement with the Sudan in 2005.

10. In the 2012 report of the Secretary-General to the Council (E/2012/76), it was noted that, at the time of independence, South Sudan had been one of the least developed countries in the world, owing to the legacy of a 50-year civil war: 1 in 7 women were dying in childbirth, 8 in 10 women were illiterate, one in nine children did not live to see their fifth birthday, one in three people never attended school, half of the population had no access to improved sources of drinking water, and more than half of the civil service did not have a primary education. It was also noted that endemic poverty and chronic underdevelopment heavily affected the ability of the new State to provide basic services and respond to humanitarian needs, rendering communities vulnerable to the effects of poverty, insecurity, displacement, food and nutrition insecurity, outbreaks of disease and seasonal floods. Furthermore, prospects for diversified growth were not in place in the near term owing to the lack of infrastructure, education and State capacity. According to information from the Office for the Coordination of Humanitarian Affairs of the Secretariat, about 2 per cent of the road network is paved and, during the rainy season (June to October), 60 per cent of roads are not accessible. In addition, only about 1 per cent of the population has access to electricity.

11. From this low level of development, the conflict has further undermined the prospects for future growth. The most immediate impact has been on oil production. Financing nearly 80 per cent of the Government's overall budget, oil provides 98 per cent of public sector revenue, contributes 60 per cent to gross domestic product and to almost all foreign exchange earnings, thus making the South Sudanese economy highly vulnerable to changes in oil prices and oil production levels. An inadequately diversified economy is more exposed to economic shocks and volatile global commodity markets. Heavy reliance on oil revenues means that South Sudan is at the mercy of economic cycles of boom and bust, making fiscal discipline difficult and long-term planning complicated. An oil revenue management act has been adopted, although challenges in its implementation remain.

12. The conflict has led to the shutdown of operations of some oil fields and the partial shutdown of others, with deleterious effects on oil production, which is now estimated to be less than half of the 350,000 barrels per day at the time of independence. The resulting shortfalls, heavy reliance on forward sales of future oil flows and extensive redirection of available revenues to finance security priorities will likely lead to significant increases in the fiscal deficit while crippling nascent government services. This has had an impact on the payment of salaries and State transfers for basic social services. Insecurity has broken existing supply chains, cutting off market-based commodity flows to several parts of the country. The uncertainty created by this has deterred investment, both foreign and domestic. Planned infrastructure projects, including refineries, dams and road construction, have been suspended. Projects critical for rural development and economic diversification away from the oil sector await political stability, enhanced governance and adequate security. The foreign exchange rate has remained largely stable. However, with respect to prices of basic commodities, the conflict has created two worlds, with relative stability in prices in states not affected by conflict and significant price increases in conflict-affected ones. For example, the price of sorghum in Bentiu is three times higher than in Juba. Markets are barely functioning in the conflict-affected states.

13. In the short term, the country faces considerable challenges. The most immediate concern is the crisis and its attendant implications and consequences for lives and livelihoods. Extensive population displacements, looting of warehouses (humanitarian and private sector alike), disruptions to food production, destruction of markets, dislocation of livestock from traditional migration routes, diseases and hunger have combined to generate a threat of famine. Between December 2013 and August 2014, some 3.5 million people were classified as being in the acute or emergency phases of food insecurity, out of a total of 7 million (of a population of 11.5 million) at risk of food insecurity. Malnutrition associated with widespread food insecurity is a major concern and will have a significant short- and longer-term impact on communities, in particular children and lactating women. Nutrition screenings have shown an estimated prevalence of global acute malnutrition ranging from over 30 per cent to 50 per cent in the conflict-affected areas, while malnutrition rates are alarming in states that neighbour the conflict-affected states. Malnutrition among children has doubled since the beginning of the year; some 50,000 children could die from malnutrition in 2014. Joint efforts from United Nations agencies are under way in conflict-affected and other high-burden areas to increase the treatment of moderate and severe acute malnutrition, as well as to prevent children from falling into malnutrition through blanket supplementary feeding programmes. The ongoing conflict has also disproportionately affected women and girls, who suffer hideous consequences of the violence, abuse, deprivation and loss of livelihoods. United Nations agencies have initiated interventions, including the provision of direct livelihood and extended protection assistance to displaced women and girls as a way to address gender gaps in the prevailing humanitarian crisis.

14. The ongoing conflict has also brought to the fore challenges with regard to health and sanitation. An already high disease burden has increased substantially, exacerbated by the rainy season, which has raised the risk of transmission of water-borne and other communicable diseases. A cholera outbreak resulted in more than 6,000 cases and led to 139 deaths. While the United Nations and its partners have

made concerted efforts with the Ministry of Health to limit the spread of cholera, the continued grave health risks posed by poor hygiene and sanitary conditions continue to test the nation's weak health-care system. Compounding these difficulties, hospitals have been attacked, looted or, in some instances, severely damaged as a result of the conflict, notably in Bor, Bentiu, Malakal and Nassir. Amid this, it is encouraging to note that South Sudan has been free of polio for more than five years. Some development work also continues. For example, according to information from the United Nations Development Programme (UNDP), the first blood bank in South Sudan and national and regional public health laboratories were established in July 2014. The facilities, established through the Global Fund, aim to improve the country's diagnosis and disease surveillance for HIV/AIDS, tuberculosis, malaria, tropical diseases and epidemic diseases, such as cholera.

15. At present, approximately 57 per cent of children and adolescents in South Sudan do not attend school. There are high levels of dropouts and delayed entry: 75 per cent of 6-year-olds are not in school and 92 per cent of grade 8 students are overage. The percentage is much higher in conflict-affected states, where children are prevented from attending school as a result of insecurity, displacement or schools' occupation by armed forces. It is estimated that only 5-10 per cent of about 1,130 primary schools in Jonglei, Unity and Upper Nile States are functioning. In hard-to-reach areas of conflict-affected states, national authorities have been unable (or, in the case of territory not under the control of the Government, unwilling) to pay teachers' salaries and support the re-establishment of services. Many teachers have left conflict-affected areas, or work as casual labourers instead of as teachers. United Nations agencies and partners have supported 54,607 conflict-affected children in resuming their education through the provision of temporary learning spaces, education supplies and training for teachers.

16. The crisis in South Sudan has also put already vulnerable children at greater risk of harm, including abduction, physical injuries, sexual violence, psychological distress and child marriage. Approximately 6,088 unaccompanied and separated children have been identified by the United Nations Children's Fund (UNICEF) and its partners since the conflict began in December 2013, and have been assisted through family tracing and reunification services. UNICEF, other United Nations agencies and implementing partners continue to advocate against the sustained recruitment and use of children by armed forces and groups. UNICEF and its partners have reached 65,587 children and adolescents with essential child protection services, including psychosocial support, case management and referrals. The severe lack of qualified teachers in South Sudan has led to unprecedented teacher-to-student ratios, jeopardizing the quality of core educational elements, such as basic literacy. Furthermore, access to vital livelihood education, such as technical and vocational training, as well as non-formal education options, including agricultural skills and pastoralist education, are extremely limited. The United Nations Educational, Scientific and Cultural Organization is working to combat these challenges by implementing child, youth and adult literacy and life skills activities in all states. Additional efforts are under way to enhance the training of teachers and increase access to vocational and pastoralist education. Neglect of these critical areas will continue to hamper efforts in combating the country's extraordinarily high rates of illiteracy. Without literacy, there is limited access to basic and life-saving information on rights, such as health care, as well as livelihood and employment opportunities.

IV. United Nations support to South Sudan

17. Early in 2013, the Government of South Sudan and the United Nations country team agreed to extend the initial United Nations Development Assistance Framework (2012-2013) until 30 June 2016. The country team decided to revise and update the results framework. The extended and revised Development Assistance Framework was expected to be signed and launched by the Government and the country team in December 2013, but the crisis erupted before this was achieved. The country team has therefore decided to once again revise the Framework to determine its contributions to the achievement of the South Sudan Development Plan objectives within a radically transformed operating environment. A number of development programmes have been suspended or redesigned because donors have also undertaken reviews of their funding policies, principles of engagement and support to development programmes as a result of the conflict.

18. Since the onset of the crisis, UNMISS has also put its State-building and peacebuilding activities on hold. As the crisis persisted, in May 2014 the Security Council, by its resolution 2155 (2014), revised the UNMISS mandate to focus on four priority areas: protection of civilians; human rights monitoring and reporting; creating the conditions for the delivery of humanitarian assistance; and supporting the cessation of hostilities agreement. As a result, UNMISS has now ceased Mission tasks that are not mandated under resolution 2155 (2014), including State-building and peacebuilding activities.

19. With respect to humanitarian assistance and protection, the United Nations system has been proactive in working with the international community to support the needs of the South Sudanese population. At the request of the Humanitarian Coordinator on behalf of the humanitarian country team, and following consultations with the Inter-Agency Standing Committee principals, the Emergency Relief Coordinator declared a three-month Standing Committee system-wide level 3 emergency response to the escalating conflict in South Sudan on 11 February 2014; this was subsequently extended by an additional six months until November 2014. A call to action, led by the Office for the Coordination of Humanitarian Affairs in collaboration with the United States Agency for International Development and the European Union, was made on 12 April 2014, in which a call was made for more support for the people of South Sudan, who have been severely affected by conflict, displacement and food insecurity.

20. According to information from the humanitarian country team, in order to continue to scale up funding and meet the overwhelming levels of need, a United Nations crisis response plan was adopted and an appeal for $1.27 billion launched early in February 2014, replacing the earlier consolidated appeal process for the country prepared in late 2013. At the midyear point, in June 2014, the humanitarian community updated its crisis response plan, calling for $1.8 billion in aid. The common humanitarian fund has been used flexibly to fund response activities in line with the shifting pattern of needs and evolving priorities, and the Central Emergency Response Fund has played a significant role in financing critical gaps in the response. Together, these two pooled funds have allocated $93 million to critical activities in South Sudan to date, with more expected before the end of 2014. A high-level humanitarian conference, co-organized by the Office for the Coordination of Humanitarian Affairs and the Government of Norway and held on 19 and 20 May 2014 in Oslo, was designed to support and help to fund the crisis response plan. The conference, which was attended by more than 300 representatives from South

Sudan, donor Governments, regional organizations, international and national NGOs and the United Nations, resulted in pledges of $610 million in new funding. In order to further scale up funding to meet the overwhelming levels of need, the humanitarian community in South Sudan released a revised crisis response plan, seeking $1.8 billion to assist 3.8 million people affected by the crisis by the end of 2014. As at 2 September, the crisis response plan was 53 per cent funded, leaving a shortfall of about $842 million to meet people's needs until the end of the year.

V. Prospects and recommendations

21. South Sudan represents arguably the single largest State-building challenge currently faced by the United Nations system. The wealth of the country was expected to benefit the population equitably and to reverse the legacy of warfare, underdevelopment and marginalization, but these aspirations have been significantly curtailed. Delivery systems across all sectors are still fragile and often dysfunctional. Corruption affects many levels of Government. Accountability mechanisms, where they exist, have failed to deter the misuse and mismanagement of public resources, in particular public oil revenues. While there is no question about the length and difficulty of the transition confronting South Sudan, there are pertinent concerns about ensuring macroeconomic stability, inclusive growth and employment. Although oil production remains the cornerstone of the country's economy, environmental considerations need to be incorporated into sustainable development planning. Prospects for renewed development throughout South Sudan appear slim, especially as there are currently few concrete signs of an end to the conflict.

22. **While a cessation of hostilities agreement has been signed and a commitment made to work on the formation of a transitional Government, so far both sides continue to pursue a military solution. No concrete evidence has yet emerged that the political will exists to meet the commitments made under the IGAD-led mediation. A recent analysis of the budget carried out by UNDP shows that a dominant part of the allocation has been used to pay the salaries of the army and veterans, with some provisions for operating costs and new capital expenditures. The same is true of the rule of law sector, where 1.573 billion South Sudanese pounds is being used to pay salaries to police, prison and fire services. In contrast, social sector allocations and outlays on rebuilding infrastructure in the country are pegged at less than 20 per cent of the current budget and have shown a decline relative to 2012/13, the first fiscal year after independence. In average terms, the total resources budgeted for allocation to the core development sectors (education, health and infrastructure), increased marginally, from 3.1 per cent in 2013/14 to 4.3 per cent in 2014/15. When compared with the allocations made to the security sector, it is evident that the Government continues to disproportionately restrict resource allocation for development, which in turn is a binding constraint on its ability to deliver basic social services to its citizens. This trend needs to be reversed urgently, as South Sudan faces some of the worst global vital human development indicators.**[2] **Urgent action by the international**

[2] Olympio Attipoe, Biplove Choudhary and Nicholas Jonga, "An analysis of government budgets in South Sudan from a human development perspective", discussion paper 08/2014 (UNDP, 2014). Available from www.ss.undp.org/content/south_sudan/en/home/library/discussion-papers/an-analysis-of-government-budgets-in-south-sudan-from-a-human-de/.

community to push for both a resolution of the conflict and a rebalancing of budgetary priorities is required.

23. In the meantime, the economy remains stalled. Foreign investment has slowed significantly, many foreign workers have left the country, and stability has yet to return. The war has destroyed many emerging businesses, and both production of and exploration for oil have been significantly reduced. While some investors who have committed substantial resources may return as the political situation improves, prospective investors, including regional ones, are likely to be cautious for many years to come. While the impact of the political situation on the economy of the country's regional trading partners has not yet been calculated, there is no doubt that trade and investment with neighbouring countries has been significantly affected.

24. Without demonstrated commitment to solve the political crisis, prospects for sustainable development remain low. The people of South Sudan continue to need the strong support of the international community. In this context, there is an urgent need for predictable resources to meet the humanitarian needs of the country. The crisis response plan should therefore be fully funded without delay. There should also be appropriate levels of funding that would provide the United Nations system with sufficient flexibility to respond to new challenges as they emerge.

25. Despite the urgent humanitarian needs, more efforts should also be made to promote reconciliation and early recovery. This can be done by using recovery activities to focus on creating emergency employment, invest in youth development activities, initiate programmes to enhance community security and control of arms in civilians' hands, help small businesses to get back on their feet and restore livelihoods, for example through the provision of seeds and farming equipment, credit and vocational training. Such measures could be a vital first step towards reviving the economy. Once peace and security are restored, opportunities for peace dividends for the war-weary citizens of South Sudan can follow.

26. Given the unique peace, security, peacebuilding and development challenges facing South Sudan, the integrated United Nations support being provided at the technical and operational levels should be complemented by strong, integrated policy support and guidance at the intergovernmental level by all relevant United Nations organs and bodies, within their respective mandates and competencies. The immediate challenge is to urge the parties to the conflict to turn their tentative steps towards a peace agreement into reality on the ground. This is necessary in order to build confidence among the people of South Sudan in the prospects for sustainable peace. As this process takes hold, the United Nations system must help the people of South Sudan to quickly heal the rifts between them in order to reduce the risk of a relapse into conflict. Only then can the nation truly begin to return to the path towards sustainable development that was the aspiration of its people following the Comprehensive Peace Agreement with the Sudan in 2005 and the country's independence in 2011.